

HOUSE BILL 3338  
By Maddox

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 7, relative to higher education financial accountability.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 49, Chapter 7, is amended by adding the following language as a new, appropriately designated part:

§ 49-7-3001.

(a) The trustees of the University of Tennessee shall require annual internal financial audits of the offices of the university president and the chief executive officers of the institutions comprising the system. Such audits shall be reviewed by the board of trustees and the comptroller of the treasury.

(b) The board of regents of the state university and community college system shall require annual internal financial audits of the offices of the chancellor and the chief executive officers of the institutions comprising the system. Such audits shall be reviewed by the board of regents and the comptroller of the treasury.

(c) Such audits shall be performed for each fiscal year and shall be completed and furnished to the system's governing body and the comptroller of the treasury by October 1 following the close of each fiscal year.

§ 49-7-3002.

(a) At least seven (7) working days prior to a proposed administrative expenditure of five thousand dollars (\$5,000) or more, notice of such proposed expenditure by the University of Tennessee system or its institutions or the state

university and community college system or its institutions shall be posted on the website of the respective system. The posting shall specify the purpose and the amount of the expenditure and to whom the payment shall be made.

(b) As used in this section, “administrative expenditure” means any expenditure made for system or institutional level administration, other than compensation of administrative officers and employees. Compensation of administrative officers and employees includes salary and the cost of benefits, such as deferred compensation, insurance, and retirement benefits.

Administrative expenditures do not include expenditures made on behalf of an academic part of an institution, such as a college, school, department, center, institute, or unit or an athletic department or program.

(c) Administrative expenditures required to be posted on the Internet shall include, but not be limited to, expenditures for travel, for entertainment, for acquisition or lease of equipment, furnishings, or other personal property, for acquisition or lease of real property, and for renovation, repair, or maintenance of residences or offices for administrative officers and employees.

(d) If such expenditure must be made prior to posting of notice on the Internet, because of emergency or other immediate need, then notice of such expenditure shall be posted within seven (7) working days after the expenditure. Such posting shall include an explanation of the reason that the expenditure was made before the posting of notice.

§ 49-7-3003.

A flight log shall be maintained for each state-owned airplane used by officers or employees of the University of Tennessee system or its institutions or the state university and community college system or its institutions for travel related to the system or an institution. Such log shall show the reason for each

flight, the date and final destination of each flight, time of departure, time of arrival, all stops made prior to reaching the final destination, the length of time of each portion of a flight, and the name of any person traveling on any portion of a flight and the position such person holds with the University of Tennessee system or the state university and community college system. If a person who is not an officer or employee of the University of Tennessee or the state university and community college system is a passenger on any portion of a flight, then the log shall clearly identify the person, the portion of the flight on which the person is a passenger, and show the reason such person is a passenger.

§ 49-7-3004.

The University of Tennessee and the state university and community college system shall not purchase alcoholic beverages, beer, or wine with funds appropriated by the general assembly, including funds generated from tuition or fees.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring

it